Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

LIMITED OFFICIAL USE

PAGE 01 LAGOS 02992 101622Z

61
ACTION AF-06

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 /053 W
---------- 073376
R 101307Z MAR 76
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 3842

LIMITED OFFICIAL USE LAGOS 2992

E. O. 11652: N/A
TAGS: ECON, NI
SUBJ: DETERIORATING NIGERIAN BALANCE OF PAYMENTS

REF : LAGOS 2729

1. FMG COMMISSIONER FOR FINANCE EKUKINAM HAS EXPRESSED CONCERN OVER NIGERIA'S DETERIORATING BALANCE OF PAYMENTS. IN MARCH 8 MEETING OF STATE AND FEDERAL FINANCE COMMISSIONERS, EKUKINAM DECLARED, "THE FACT OF TODAY IS THAT EXPENDITURES HAVE OUT-STRIPPED REVENUES." EKUKINAM PUT BLAME ON THE "FALSE SENSE OF AFFLUANCE" ARISING FROM OIL REVENUES AND THAT CONSEQUENT "PUBLIC EXPENDITURES ARE COMMITTED WITHOUT DUE REGARD FOR ECONOMY." TO COUNTER THIS TREND, POSSIBLE COST REDUCTIONS IN UPCOMING PROJECTS AND EXAMINATION OF PROJECT PRIORITIES WILL BE INCLUDED IN THE AGENDA OF UPCOMING 1976/77 BUDGET CONFERENCE.

2. EKUKINAM'S CONCERN EVIDENCED BY 1975 TRADE DATA RELEASED BY FMG STATISTICS BUREAU (REFTEL). AGGREGATE EXPORTS DROPPED FROM NAIRA 5794.8 MILLION IN 1974 TO NAIRA 4799.6 MILLION IN 1975. WITH IMPORTS SKYROCKETING FROM NAIRA 1737.3 MILLION IN 1974 TO NAIRA 3733.8 MILLION IN 1975, NIGERIAN TRADE SURPLUS DROPPED FROM 1974 HIGH OF NAIRA 4057.5 MILLION TO NAIRA 1045.8 MILLION IN 1975.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 02992 101622Z

3. ALTHOUGH OTHER BP DATA NOT YET AVAILABLE, IT IS PROBABLE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

THAT 1975 TRADE SURPLUS SUFFICIENT TO COVER NIGERIA'S TRADITIONAL DEFICIT IN THE SERVICES ACCOUNT, AND AN ANTICIPATED SMALL DEFICIT IN THE SERVICES ACCOUNT, AND AN ANTICIPATED SMALL DEFICIT IN THE CAPITAL ACCOUNT. HOWEVER, ANY SURPLUS WOULD LIKELY BE MARGINAL (SEE IMF STAFF REPORT FOR THE 1975 ARTICLE XIV CONSULTATION WITH NIGERIA DATED 1/21/76).

4. IN 1976 PROBABLE THAT NIGERIAN TRADE SURPLUS WILL SLIGHTLY INCREASE DUE TO: (1) RECOVERY OF PETROLEUM SECTOR, (2) LIMITED PORT CAPACITY'S RESTRAINT ON IMPORTS. IN ANY CASE, NIGERIAN BUDGETARY PLANNING WILL PROBABLY BE ALONG LINE EKUKINAM HAS INDICATED--A CLOSER LOOK AT NIGERIAN DEVELOPMENT PRIORITIES AND CUTTING PROJECT COSTS WHERE POSSIBLE.
EASUM

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC TRENDS, BALANCE OF PAYMENTS, GOVERNMENT EXPENDITURES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LAGOS02992
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760091-0500
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760376/aaaacpcp.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LAGOS 2729
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 06 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 JUL 2004 by ellisoob>; APPROVED <14 OCT 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DETERIORATING NIGERIAN BALANCE OF PAYMENTS
TAGS: ECON, NI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006